



Fact Sheet:



## Drug Medi-Cal Issues and Legal Authority

### **STATEWIDE APPLICATION**

The California State Plan for Medicaid shall be in effect in all political subdivisions of the State, and if administered by them, the Plan must be mandatory upon those political subdivisions.

*Sobky v. Smoley,*  
42 USC §1396a(a)(1)  
42 CFR §431.5(b)

### **PROVIDER CERTIFICATION REQUIRED**

Each provider must be certified to participate as a provider in the Drug Medi-Cal system.

42 CFR §431.107  
43 CFR Part 442, Subparts A and B (if applicable)  
42 CFR §442.12(d)  
WIC3 §14123

### **BENEFICIARY FREEDOM OF CHOICE**

A Medi-Cal beneficiary may choose services from any institution, agency, or person certified to perform the service.

42 USC §139a(a)(23)  
42 CFR §431.51(a)(1)

### **REASONABLE PROMPTNESS**

Services shall be furnished to all eligible individuals with reasonable promptness.

*Sobky v. Smoley,*

42 USC §1396a(a)(8)  
42 CFR §435.930

### **NO BUDGETARY CONSTRAINTS ON BENEFITS**

Benefits made available to one beneficiary shall be no less in amount, duration, or scope than the benefits made available to any other beneficiary.  
*Sobky v. Smoley,*

42 USC §1396a(a)(10)(B)  
42 CFR §440.240

### **STATE GENERAL FUND USE FOR DMC**

The State General Fund provides funding for the State's share of expenditures for DMC services.

*Budget Act, Chapter 52, Statutes of 2000*  
42 USC §1396a(a)(2)

### **DMC BENEFITS**

DMC benefits are optional Medi-Cal benefits as contained in the California State Plan for Medicaid. Services include: Narcotic Treatment Program, Outpatient Drug Free Treatment, Day Care Rehabilitative Treatment, Naltrexone Treatment, and Perinatal Residential Substance Abuse.

22 CCR4 §51341.1(d)

### **RATES**

DMC maximum rates are developed by ADP and set annually by the Department of Health Services. A provider may bill for actual costs up to the maximum allowances established for the FY.

*22 CCR §51516.1*

***RATE-SETTING METHODOLOGY***

Maximum allowable rates for DMC are determined by computing the median rate from available cost data, by modality, from the fiscal year that is two years prior to the year for which the rate is being established.

*22 CCR §51516.1(a)*

*42 CFR §413.30(b)*

*WIC §14021.6(a)*

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1 USC.....United States Code  
2 CFR.....Code of Federal Regulations  
3 WIC.....Welfare and Institutions Code  
4 CCR.....California Code of Regulations